

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7113

Petition of MCI, Inc., for Approval of a Sale of)
Assets of MCI Network Services, Inc. to MCI)
Communications Services, Inc.)

Order entered: 12/13/2005

I. INTRODUCTION

On September 29, 2005, MCI, Inc. ("MCI" or "Petitioner"), filed a Telecommunications Merger and/or Acquisition Request for Approval Form ("Petition") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. § 109, for a sale of assets between two of its Vermont operating subsidiaries. MCI Communications Services, Inc. ("MCI Communications") will purchase the assets of MCI Network Services, Inc. ("MCI Network").

On November 8, 2005, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transaction because it would not detrimentally impact Vermont consumers or cause them inconvenience or confusion. The Department further recommended the Board approve the petition and the name change without further investigation or hearing.

The Board has reviewed the petition and the accompanying documents and agrees that approval should be granted without hearing.

II. FINDINGS OF FACT

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. MCI Network is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good granted by the Board in Docket No. 7087, on September 8, 2005. Petition at 1.

2. MCI Communications is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good granted by the Board in Docket No. 7087, on September 8, 2005. Petition at 1.

3. MCI is the parent company of both MCI Network and MCI Communications. MCI offers no services directly to the public and holds no CPG in Vermont. Petition at Attachment.

4. The proposed transaction will result in MCI Network's assets being transferred to MCI Communications. Petition at Attachment.

5. No changes to the rates and services offered to MCI Network's customers are contemplated. Accordingly, the transactions will not cause any inconvenience for Vermont consumers. Petition at Attachment.

6. The proposed transaction will allow MCI to streamline its corporate structure and realize efficiencies which should allow the company the opportunity to strengthen its position in the Vermont telecommunications marketplace, thereby, strengthening competition for telecommunications services and promoting the public interest. Petition at Attachment.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A. § 109. The statutes condition approval of a sale of assets upon a finding that the sale will promote the public good (30 V.S.A. § 109). This standard is met in this case.

Pursuant to 30 V.S.A. § 109, "a foreign corporation subject to the jurisdiction of the [Board], shall not make a sale . . . in any one calendar year constituting ten percent or more of the company's property located within this state . . . nor merge nor consolidate . . ." without approval of the Board. In order to approve the sale of assets, the Board must first find that it will "promote the general good of the state." 30 V.S.A. § 109.

After reviewing the petition, we conclude that 30 V.S.A § 109 applies to the sale of assets of MCI Network, which is a certificated telecommunications carrier in Vermont. We further conclude that the asset sale to MCI Communications will not cause undue inconvenience for Vermont customers and allow MCI Network's customers to continue uninterrupted service. The sale of assets, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. § 109 and should be approved.

IV. CONCLUSIONS

The sale of assets of MCI Network should be approved because the transaction will promote the public good of the State of Vermont and will not result in obstructing or preventing

competition. 30 V.S.A. § 109.

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The sale of assets of MCI Network Services, Inc. to MCI Communications Services, Inc., will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transaction within one week of such completion.
3. A Certificate of Consent to the sale of assets of MCI Network Services, Inc. to MCI Communications Services, Inc., shall be issued.

Dated at Montpelier, Vermont, this 13th day of December, 2005.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: December 13, 2005

Attest: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.